

20 March 1961

61-2281

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Security of Federal Employees' Compensation Cases

1. This memorandum contains a recommendation in paragraph 3 for approval of the Director of Central Intelligence.

2. Our employees are entitled to a variety of benefits under the Federal Employees' Compensation Act and the benefits are provided by the Bureau of Employees' Compensation. The Bureau has been most cooperative in protecting our security by restricting knowledge of our cases to a minimum of their top-level employees who have been cleared for this purpose. An amendment to the Compensation Act last fall would require the Bureau to charge all agencies for the cost of benefits provided to their employees. To establish such billing, all cases would have to be processed through the routine elements of the Bureau and into their machine records which would expose the names of our employees to a large number of low-level clerical and administrative people. The clearance problem would be formidable, if not impossible, and the risk to security would be grave as we process many quite sensitive cases up into the SECRET classification.

OGC

FOIAB5

(EXECUTIVE SECRET) 161 *Lawrence R. Houston*

3/ LAWRENCE R. HOUSTON

OGC Has Reviewed

LAWRENCE R. HOUSTON
General Counsel

CONCUR

161
151
EDCI

Date 25 MAR 1961

21 MAR 1961

Deputy Director (Support)

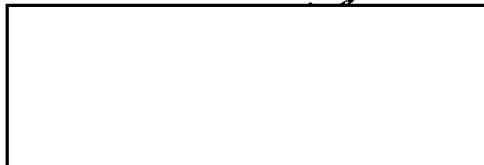
Date

The recommendation in paragraph 3 is approved

SIGNED

Allen W. Dulles
Director

Date



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ER MB
Alice at 1
June JS
Hilly JS
Chris JS
DCI file _____